

ROBERT HAWKINS #131159  
CHAPTER 7 TRUSTEE  
1849 NORTH HELM, SUITE 110  
FRESNO, CALIFORNIA 93727  
(559) 255-0555

Chapter 7 Trustee

**IN THE UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF CALIFORNIA**

In the Matter of

Case No. 09-60236-B-7F

LIMA AND SON DAIRY,

DC No. RHT-5

**TRUSTEE'S MOTION FOR ORDER TO  
ABANDON REAL AND PERSONAL  
PROPERTY FROM THE BANKRUPTCY  
ESTATE 11 U.S.C. Section 554(a)**

Debtor.

Date: November 9, 2011  
Time: 10:00 a.m.  
Dept: B

**TO THE HONORABLE W. RICHARD LEE, UNITED STATES BANKRUPTCY  
JUDGE:**

1. This case was commenced by the filing of a voluntary petition for relief under Chapter 11 of Title 11 of the United States Bankruptcy Code on or about October 23, 2009. The case converted to a proceeding under Chapter 7 on or about May 26, 2010, and Robert Hawkins was appointed Chapter 7 Trustee.

2. This Motion is brought pursuant to 11 U.S.C. §554(a). This Court has jurisdiction over this matter pursuant to 28 U.S.C. §1334(b),(d). This is a core proceeding pursuant to 28 U.S.C. §157.

3. Among the assets of the estate is a 517 acre dairy facility located at 8519 24<sup>th</sup> Avenue, Lemoore California ("Dairy") and a Lease/Option of the Dairy to Western Milling, LLC ("Western").

4. The above-captioned Chapter 7 case was voluntarily converted from Chapter 11. The Chapter 11 was resolved by Western buying the personal property of the dairy, with the proceeds paid to the Bank of the Sierra. Western also entered into a lease of the Dairy with an option to buy. All rent under the lease is paid to Bank of the Sierra. The transaction was approved by order dated December 24, 2009. Bank of the Sierra holds a first deed of trust on the Dairy with a balance equal to the option price of \$7,026,121.00. Western holds a second Deed of Trust on the dairy property with a present balance of \$1,667,344.00. The value of the Dairy in this market is much less than the secured debt totaling \$8,693,465.00. There is nothing in the exercise of the option of the lease that benefits the Chapter 7 estate. The estate remains in title to the Dairy and is the lessor/optionor under the lease. The Dairy and the lease/option are burdensome assets and will be abandoned pursuant to 11 U.S.C. §554.

**WHEREFORE**, the Trustee prays that, after appropriate notice and opportunity to be heard, the 517 acre dairy facility located at 8519 24<sup>th</sup> Avenue, Lemoore California (“Dairy”) and a Lease/Option of the Dairy to Western Milling, LLC be abandoned from the bankruptcy estate.

**DATED:** OCTOBER 11, 2011

/S/Robert Hawkins  
ROBERT HAWKINS,  
Chapter 7 Trustee